

## Actual regulation market basket change and Medicare payment updates

Note: The payment increases are before budget neutrality.

### Inpatient Hospital PPS

	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>	<u>FY 02</u>	<u>FY 03</u>	<u>FY04</u>	<u>FY05</u>	<u>FY06</u>
Market Basket Update	3.5	2.5	2.7	2.4	2.9	3.4	3.3	3.5	3.4	3.3	3.7
Payment Increase	1.5	2.0	0.0	0.5	1.1	3.4	2.75	2.95	3.4	3.3	3.7

1\ Inpatient Hospital PPS went into effect October 1, 1983.

2\ Beginning in FY 2007, hospitals that provide the required quality data will receive the full market basket increase.

### Skilled Nursing Facility PPS

	<u>FY 00</u>	<u>FY 01</u>	<u>FY 02</u>	<u>FY 03</u>	<u>FY 04</u>	<u>FY 05</u>	<u>FY 06</u>
Market Basket Update	3.1	3.161	3.3	3.1	3.0	2.8	3.1
Payment Increase	2.1	3.161	2.8	2.6	3.0	2.8	3.1

1\ The Skilled Nursing Facility PPS went into effect July 1, 1998.

### Home Health Agency PPS

	<u>FY 02</u>	<u>FY 03</u>	<u>FY 04q1</u>	<u>FY 04q2</u>	<u>CY04q2</u>	<u>CY04q3</u>	<u>CY 04q4</u>	<u>CY 05</u>	<u>CY 06</u>
Market Basket Update	3.6	3.2	3.3	3.3	3.3	3.3	3.3	3.1	3.6
Payment Increase	2.5	2.1	3.3	3.3	2.5	2.5	2.5	2.3	0.0

1\ Home Health Prospective Payment System (HH PPS) went into effect on October 1, 2000.

2\ For FY04q1 and FY04q2 (October 2003 through March 2004), HHAs received the full market basket update.

3\ MMA legislation changed HH PPS from a fiscal year update cycle to a calendar year update cycle (beginning April 1, 2004).

4\ For CY04q2 through CY05 (April 2004 through December 2005), HHAs receive a market basket update minus 0.8 percentage points.

5\ 2005 will be the first full year in which HHAs are to be reimbursed on a calendar year basis.

### Inpatient Hospital Capital PPS

	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>	<u>FY 02</u>	<u>FY 03</u>	<u>FY 04</u>	<u>FY 05</u>	<u>FY 06</u>
Market Basket Update	1.5	1.3	1.1	0.7	0.6	0.9	0.7	0.7	0.7	0.7	0.8
Payment Increase	1.2	0.7	0.9	0.1	0.3	0.9	1.3	1.1	0.7	0.7	0.8

1\ Inpatient Hospital Capital PPS went into effect October 1, 1991

### Inpatient Rehabilitation Facility PPS

	<u>FY 03</u>	<u>FY 04</u>	<u>FY 05</u>	<u>FY 06</u>
Market Basket Update	3.0	3.2	3.1	3.6
Payment Increase	3.0	3.2	3.1	3.6

## Actual regulation market basket change and Medicare payment updates

**Note: The payment increases are before budget neutrality.**

1\ The Inpatient Rehabilitation Facility PPS went into effect January 1, 2002.

### Long Term Care Hospital PPS

	<u>FY 03</u>	<u>FY 04*</u>	<u>FY 05*</u>
Market Basket Update	3.0	2.5	3.1
Payment Increase	3.0	2.5	3.1

1\ The Long Term Care Hospital PPS went into effect October 1, 2002.

2\ Beginning FY 2004, the LTC fiscal year runs July 1 to June 30th.

### Outpatient Hospital PPS

	<u>CY 01</u>	<u>CY 02</u>	<u>CY 03</u>	<u>CY 04</u>	<u>CY 05</u>
Market Basket Update	3.4	3.3	3.5	3.4	3.3
Payment Increase	3.4	2.3	3.5	3.4	3.3

1\ Outpatient Hospital PPS went into effect August 1, 2000.

### Medicare Economic Index

	<u>CY 92</u>	<u>CY 93</u>	<u>CY 94</u>	<u>CY 95</u>	<u>CY 96</u>	<u>CY 97</u>	<u>CY 98</u>	<u>CY 99</u>	<u>CY 00</u>	<u>CY 01</u>	<u>CY 02</u>	<u>CY 03</u>	<u>CY 04</u>	<u>CY 05</u>
Market Basket Update	3.2	2.7	2.3	2.1	2.0	2.0	2.2	2.3	2.4	2.1	2.6	3.0	2.9	3.1

1\ The Medicare Economic Index went into effect January 1, 1992.